



CITY COUNCIL ADOPTS BUDGET

SANTA BARBARA, CA – 6/29/2010

After two months of deliberations, the Santa Barbara City Council unanimously adopted a budget for Fiscal Year 2011. The budget includes a total operating budget of \$246.9 million and a capital budget totaling \$26.8 million. The General Fund operating budget is \$101.6 million, providing funding for police, fire, parks, recreation, library, community development, and administrative services.

The City faced an estimated \$8.9 million deficit in the fiscal year beginning July 1, 2010, if no corrective actions were taken. This represents approximately 9% of the General Fund operating budget. The budget was balanced with a combination of the following strategies:

- Department budget reductions and enhanced revenues
- Structural budget changes
- Reduced funding to community organizations
- Reductions in employee salary and benefits

The final budget includes approximately \$4 million in cost savings from secured and pending labor concessions. To close the budget deficit, Managers, Supervisors, and General and Confidential Employees, committed to labor concessions equivalent to a 6% - 8.5% salary reduction. These concessions include cost savings from an employee furlough or mandatory leave without pay. As a result, administrative offices and non-emergency facilities will close to the public over the December holiday and three other dates throughout the year.

While labor agreements with the Police Officers Association and the Police Management Association expire this month, an agreement has not been reached for a salary and benefits package. The City is also in discussions with the Fire Association on potential reductions in salary and benefit costs, including the cancellation of a planned 3% salary increase in July.

Contingent on achieving labor concessions with the remaining bargaining units, Council added \$1.1 million back to the budget to provide funding for four police officer positions, one fire captain position, park restroom maintenance, library materials, Ortega Pool Recreation Summer Swim, Planning Commission stipends, Santa Barbara Channels, New Beginnings, and the City's reserves. The implementation of these items will be delayed or cancelled if labor concessions are not fully realized.

The budget will eliminate 32 full-time equivalent (FTE) positions, most of which are vacant positions that have not been filled due to a hiring freeze. The staffing reduction could impact services available and projects underway in many departments. Slower turnaround times are anticipated for building plan check services, zoning enforcement, street tree maintenance, and requests for stop signals, speed surveys, and other traffic issues. Delays are also likely for planning and transportation projects related to ordinance revisions and other special projects. Staff anticipates delays to the implementation of Plan Santa Barbara (General Plan Update) policies and programs.

The Central and Eastside Libraries will close on Mondays. Repairs and improvements to many facilities, parks, and critical software systems will be deferred. Several capital projects are included in the General Fund budget including Shoreline Park Safety Improvements, Mesa Lane Steps Renovation, Playground Replacements, and a Police Records Management System Upgrade. The Fenton Davis Trust provided a generous donation of \$250,000 for a renovation project in the Central Library.

Funding for several community organizations will be reduced, including funding for the Conference and Visitors Bureau, Summer Solstice, Visitors Information Center, 4th of July Symphony concert, and Santa Barbara Public Access Channel 17. The budget eliminates full funding for the Fourth of July parade (Spirit of '76) and Semana Nautica festival.

To generate additional revenue, planning fees and library meeting room rental fees will increase. New beach and park concessions will be established at Chase Palm Park and East Beach and more revenue would be sought from community partners for their use of the City's park and recreation facilities.

Videos of Council budget discussions are available on the City's website at: www.SantaBarbaraCA.gov. When completed, the budget document will be available to the public at the City's website, the City Clerk's Office at 735 Anacapa Street and the Public Library at 40 E. Anapamu Street.

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